

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

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DRAFTED BY EB/OT/GCP:RBANQUE:JM

APPROVED BY EB/OT/ITP:CWSCHMIDT

AGRICULTURE:KREYNOLDS

STR:HHENTGES

COMMERCE:RFRANCIS

LABOR:JCOYLE (SUBS)

EUR/IB:MDURKEE (SUBS)

EUR/RPE:ECASEY

----- 107649

R 151507Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY MADRID

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD, SP

SUBJECT: SPAIN AND GSP

REF: STATE 214505

1. INTERAGENCY GROUP (CHAired BY SCHMIDT, DIRECTOR, OFFICE

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OF INTERNATIONAL TRADE, STATE) MET WITH SPANISH EMBASSY

COUNSELOR JOSE SIERRA AND INFORMALLY GAVE HIM PRODUCT LIST AND SUBSTANCE OF REFTEL PARA 2 (EXCEPT FYI PORTION).

A. SIERRA ASKED IF PRODUCTS ON USG PRODUCT LIST WERE ON GSP PRODUCT LIST. WE STRESSED THAT THERE WAS NO RELATION BETWEEN THE TWO LISTS.

B. SIERRA ASKED WHETHER IT WOULD BE POSSIBLE TO BE PLACED ON THE GSP ELIGIBILITY LIST AFTER JANUARY 1. SCHMIDT SAID THAT IF A COUNTRY WERE DETERMINED TO BE ELIGIBLE ON THE BASIS OF TRADE ACT CRITERIA, IT WOULD BE POSSIBLE TO DECLARE SUCH COUNTRY ELIGIBLE ANYTIME DURING THE LIFE OF GSP--OR, FOR THAT MATTER, TO TAKE A COUNTRY OFF, IF A SUBSEQUENT SITUATION AROSE WHEREBY THE PROSCRIPTIVE CRITERIA OF SECTION 502(B) APPLIED.

C. SIERRA ASKED WHEN CONSULTATIONS MIGHT BEGIN AND AT WHAT LEVEL. SCHMIDT RESPONDED THAT THE WEEK OF SEPTEMBER 29 - OCTOBER 3 WAS THE EARLIEST AND, AS AN EXAMPLE, THAT HE

AND STR ASSISTANT SPECIAL REPRESENTATIVE STEPHEN LANDE CO-CHAIRING THE U.S. SIDE DURING CONSULTATIONS WITH ISRAEL. SIERRA ASKED HOW LONG THE CONSULTATIONS MIGHT TAKE. HE WAS TOLD THE INITIAL CONSULTATIONS MIGHT REQUIRE TWO OR THREE DAYS, BUT THAT IT WAS IMPOSSIBLE TO SAY HOW LONG IT MIGHT TAKE TO CONCLUDE THE DISCUSSIONS. IN THE ISRAELI CASE, DISCUSSION OF FEW REMAINING ISSUES HAS CONTINUED OVER THE LAST TWO MONTHS WITH COMPLETE RESOLUTION POSSIBLE IN THE VERY NEAR FUTURE.

D. SIERRA ASKED TRADE COVERAGE OF PRODUCT LIST. WE TOLD HIM:

--62 INDUSTRIAL TARIFF ITEMS--122 MILLION DOLLARS (1973 MAINLAND SPAIN)

--2 AGRICULTURAL TARIFF ITEMS--18.4 MILLION DOLLARS (1972, MAINLAND SPAIN) 4.5 MILLION DOLLARS--(1972, CANARY ISLANDS) WE UNDERSTAND THAT AGRICULTURAL ITEMS--CIGARS AND CIGARETTES--ARE IMPORTED INTO MAINLAND SPAIN BY TOBACCO MONOPOLY WHICH PAYS NO DUTIES. WE ARE CONCERNED IN THESE CONSULTATIONS WITH IMPORTS INTO CANARY ISLANDS, WHERE DUTY IS ASSESSED.

2. IN CONSIDERING SPECIFIC MECHANISM TO DEAL WITH QUESTION OF POTENTIAL ADVERSE EFFECT IN THE FUTURE ON U.S. EXPORTS, LIMITED OFFICIAL USE

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WE WILL NEED TO KNOW THE FOLLOWING (NOT RAISED BY U.S. WITH SIERRA):

A. HOW DOES THE GOS CREATE A NEW TARIFF SUB-CLASSIFICATION? -----

B. HOW DOES THE GOS CHANGE A TARIFF RATE?

C. IN PRACTICE, ARE THE ADMINISTRATIVE PROCESSES OF CREATING A NEW TARIFF CLASSIFICATION OR OF CHANGING A TARIFF RATE SIMPLE OR COMPLEX?

D. HOW MUCH TIME DOES IT GENERALLY REQUIRE TO
COMPLETE THESE PROCESSES? KISSINGER

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